

Message Text

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ACTION OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 COME-00 TRSE-00 XMB-07

AID-20 L-03 SEC-03 STR-08 CIEP-02 OMB-01 INR-10

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R 271440Z DEC 73

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 4047

UNCLAS TUNIS 7155

FOR OPIC

EO 11652: N/A

TAGS: EFIN, TS

SUBJ: DELAYS IN CURRENCY CONVERSION

REF: (A) TUNIS A-54; (B) STATE 219720

1. THE EMBASSY HAS RECEIVED A COPY OF TUNISIA CENTRAL BANK CIRCULAR 27-948 OF NOVEMBER 12, 1973, CONTAINING NEW REGULATIONS FOR THE TRANSFER OF PROFITS AND DIVIDENDS. THIS NEW REGULATION WAS FORECASE IN REF (A) AND ITS STATUS WAS THE SUBJECT OF A RECENT INQUIRY REF (B).

2. ACCORDING TO THE NEW REGULATIONS, INDUSTRIAL OR EXPORT CORPORATIONS WHICH HAVE THEIR HEAD OFFICES IN TUNISIA AND THE SHARES OF WHICH ARE QUOTED ON THE TUNISIAN STOCK EXCHANGE MAY DECIDE FREELY TO DISTRIBUTE DIVIDENDS DERIVED FROM PROFITS MADE DURING THE COMPANY'S CURRENT FINANCIAL YEAR (STARTING IN 1973) WHATEVER THE PROPORTION OF CAPITAL HELD BY NON-RESIDENTS. FIRMS WISHING TO DISTRIBUTE PROFITS CARRIED FORWARD MUST OBTAIN THE PRIOR AUTHORIZATION OF THE TUNISIAN CENTRAL BANK.

3. CORPORATIONS WHICH ENGAGE IN TRADE AND WHICH HAVE THEIR HEAD OFFICES IN TUNISIA AND WHOSE SHARES ARE QUOTED ON THE TUNISIAN

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STOCK EXCHANGE MAY NEW FREELY DISTRIBUTE DIVIDENDS NOT TO

EXCEED 10 PERCENT OF THEIR ASSETS (CAPITAL PLUS RESERVES).
DIVIDENDS MUST BE BASED ON PROFITS MADE DURING THE CURRENT
FINANCIAL YEAR, STARTING WITH FINANCIAL YEAR 1973, WHATEVER
THE PROPORTION OF CAPITAL HELD BY NON-RESIDENTS.

4. ALL FIRMS WHICH MEET THE ABOVE-MENTIONED REQUIREMENTS MAY
TRANSFER DIVIDENDS, AFTER HAVING PAID TAXES, BY DEALING DIRECTLY
THROUGH THEIR LOCAL COMMERCIAL BANK. THE COMMERCIAL BANK MUST
VERIFY THE REGULARITY OF THE OPERATION AND THE FIRM MUST
CERTIFY THE ACCURACY OF THE DOCUMENTS. COPIES OF ALL RELEVANT
DOCUMENTS MUST BE SENT TO THE TUNISIAN CENTRAL BANK BY THE
COMMERCIAL BANK FOR AN A POSTERIORI CONTROL. ALL FIRMS MUST
LOCATE ALL TRANSACTIONS OF THIS KIND WITHIN ONE COMMERCIAL BANK.

5. THIS TELEGRAM WILL BE FOLLOWED BY A LATER AIRGRAM PROVIDING
FULLER DETAILS ON THE ABOVE TRANSACTIONS AND ON OTHER TRANSFERS
COVERED BY THE CENTRAL BANK CIRCULAR, INCLUDING CAPITAL ACCOUNTS,
SALARIES, ETC. THE NEW REGULATIONS PERMIT TRANSFERS OF DIVIDENDS
THROUGH A COMPANY'S LOCAL COMMERCIAL BANK WITH ONLY AN AFTER THE
FACT CONTROL BY THE CENTRAL BANK. THIS SHOULD GREATLY REDUCE
THE AMOUNT OF TIME REQUIRED TO EFFECT TRANSFERS. THE AMOUNT
OF TIME REQUIRED WILL DEPEND ON THE COMPLETENESS OF A COMPANY'S
DOSSIER AND THE PROCESSING TIME REQUIRED BY THE COMMERCIAL BANK.
IN ANY CASE, THE AMOUNT OF TIME NOW REQUIRED SHOULD BE MEASURED
IN DAYS OR WEEKS, RATHER THAN THE PREVIOUSLY-MENTIONED AVERAGE
OF SIX TO EIGHT MONTHS (REF A).
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